

STATE OF SOUTH DAKOTA
OFFICE OF PROCUREMENT MANAGEMENT
523 EAST CAPITOL AVENUE
PIERRE, SOUTH DAKOTA 57501-3182

Health Homes Performance Measure Analysis

PROPOSALS ARE DUE NO LATER THAN APRIL 17, 2015 5:00 PM CDT

RFP #195

BUYER: Department of
Social Services

POC: Mark Close
mark.close@state.sd.us

READ CAREFULLY

FIRM NAME: _____ AUTHORIZED SIGNATURE: _____

ADDRESS: _____ TYPE OR PRINT NAME: _____

CITY/STATE: _____ TELEPHONE NO: _____

ZIP (9 DIGIT): _____ FAX NO: _____

FEDERAL TAX ID#: _____ E-MAIL: _____

PRIMARY CONTACT INFORMATION

CONTACT NAME: _____ TELEPHONE NO: _____

FAX NO: _____ E-MAIL: _____

1.0 GENERAL INFORMATION

1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP)

South Dakota is seeking a vendor to develop and conduct an analysis that will measure and quantify the health outcome and financial impacts to Medicaid that have resulted from the provision of the Health Home core services. This analysis will include developing the necessary methodology to determine inclusion and exclusion criteria, and conducting analysis of program expenditures and utilization to measure the program's financial impact. This analysis will allow DSS to utilize a sound and consistent process for future Health Homes Program budget forecasting and reporting purposes.

The vendor will also maintain the established Health Home Performance Measurement data system, including performance reports and financial impact analysis data, and recommend enhancements that could support a shared savings delivery model. The vendor will maintain the outcomes measurement reporting system or recommend a more efficient reporting system that will support the review and aggregation of data for DSS and individual Health Homes

The vendor should outline the resources necessary to achieve the financial impact methodology and Performance Measurement maintenance and enhancements DSS is seeking.

1.1.1 BACKGROUND

The South Dakota Department of Social Services (DSS), is the state agency responsible for the administration of the Health Homes Program which was implemented in July, 2013. The Health Homes Program was implemented as part of a person centered system of care to achieve improved health outcomes and experience of care for eligible Medicaid recipients and maintain at least budget neutrality for specified "High-Cost/High-Risk" Medicaid populations. There are six Core Services provided by the South Dakota Medicaid Health Homes Program:

1. Comprehensive Care Management
2. Care Coordination
3. Health Promotion
4. Comprehensive Transitional Care/Follow-up
5. Patient and Family Support
6. Referral to Community and Social Support Services

To qualify for enrollment in the Health Homes program, Medicaid recipients must:

1. Have two or more chronic conditions or one chronic condition and be at risk for another condition.
 - a. Chronic Conditions Include: Asthma, COPD, Diabetes, Heart Disease, Hypertension, Substance Abuse, Obesity, Musculoskeletal and Neck/Back disorders.
 - b. At-Risk Conditions Include: Pre-Diabetes, Tobacco Use, Cancer Hypercholesterolemia, Depression and Use of Multiple Medications (6 or More Classes of Drugs).
2. Have a single occurrence of a diagnosis for Severe Mental Illness or Emotional Disturbance, limited to: Schizophrenia, Bipolar, Major Depression, Mood Disorders, Ethyl Alcohol-Related Psychotic Disorder, Anxiety, Personality/Social Disorders, Attention Deficit Hyperactivity Disorder

The designated Health Homes Program provider infrastructure is as follows: Physicians, Advanced Practice Nurses, Physician Assistants working in a Clinical Group Practices, Rural Health Clinics, Federally Qualified Health Centers (FQHCs) or Indian Health Service or a Mental Health Professional working in a Community Mental Health Center. Each designated provider must sign an attestation, and take the initial Health Home training as well as meet the provider standards.

The payment methodology for the Health Homes Program is based upon four Tiers. Each tier has an individual per member, per month (PMPM) payment for provision of the six core Health Homes services. Eligible Medicaid recipients are placed into one of four tiers based upon the prospective risk score determined by the Chronic Illness and Disability Payment System (CDPS). The CDPS score is based on historical claims and diagnoses information normed against the Medicaid population. Those in tier 1 account for approximately half of the eligible population. Tier 1 recipients have a normal prospective risk and, therefore, must opt-in to participate in the Health Homes Program. Tiers 2 through 4 see progressively higher risks of health care utilization and are automatically placed in the Health Home Program, but may opt-out of the Health Homes Program.

DSS has an established set of outcome measures that each health home must report on for each individual who received a core service on a bi-annual schedule.

Please refer to the Department of Social Services website link <http://dss.sd.gov/healthhome/index.asp> for additional information regarding the Health Homes Program.

1.2 ISSUING OFFICE AND RFP REFERENCE NUMBER

The South Dakota Department of Social Services is the issuing office for this document and all subsequent addenda relating to it. The reference number for the transaction is RFP #195. Refer to this number on all proposals, correspondence, and documentation relating to the RFP.

Please refer to the Department of Social Services website link <http://dss.sd.gov/keyresources/rfp.aspx> for the RFP, any related questions/answers, changes to schedule of activities, etc.

1.3 LETTER OF INTENT

All interested offerors are encouraged to submit a non-binding **Letter of Intent** to respond to this RFP. While preferred, a Letter of Intent is not mandatory to submit a proposal.

The letter of intent should be received by email in the Department of Social Services by no later than 3/13/2015 and must be addressed to Mark Close at mark.close@state.sd.us. Place the following in the subject line of your email: "**Letter of Intent for RFP #195.**" Be sure to reference the RFP number in any attached letter or document.

1.4 SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)

RFP Publication	<u>03/04/2015</u>
Letter of Intent to Respond Requested	<u>03/13/2015</u>
Deadline for Submission of Written Inquiries	<u>03/20/2015</u>
Responses to Offeror Questions	<u>04/03/2015</u>
Proposal Submission	<u>04/17/2015</u>
Oral Presentations/Interviews/Discussions (if required)	<u>TBD</u>
Proposal Revisions (if required)	<u>TBD</u>
Anticipated Award Decision/Contract Negotiation	<u>05/08/2015</u>

1.5 SUBMITTING YOUR PROPOSAL

All proposals must be completed and received in the Department of Social Services by the date and time indicated in the Schedule of Activities.

Proposals received after the deadline will be late and ineligible for consideration.

An original, 6 identical copies, and 1 electronic copy of the proposal shall be submitted.

All proposals must be signed in ink by an officer of the responder legally authorized to bind the responder to the proposal, and sealed in the form intended by the respondent. Proposals that are not properly signed may be rejected. The sealed envelope must be marked with the appropriate RFP Number and Title. The words "Sealed Proposal Enclosed" must be prominently denoted on the outside of the shipping container. **Proposals must be addressed and labeled as follows:**

**Request For Proposal #195 Proposal Due April 17, 2015
South Dakota Department of Social Services
Attention: Mark Close
700 Governors Drive
Pierre SD 57501-2291**

No punctuation is used in the address. The above address as displayed should be the only information in the address field.

No proposal may be accepted from, or any contract or purchase order awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

1.6 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

By signing and submitting this proposal, the offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the offeror is unable to certify to any of the statements in this certification, the bidder shall attach an explanation to their offer.

1.7 NON-DISCRIMINATION STATEMENT

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

1.8 MODIFICATION OR WITHDRAWAL OF PROPOSALS

Proposals may be modified or withdrawn by the offeror prior to the established due date and time.

No oral, telephonic, telegraphic or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

1.9 OFFEROR INQUIRIES

Offerors may email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after 03/20/2015. Email inquiries must be sent to Mark.Close@state.sd.us with the subject line "RFP #195."

The Department of Social Services will respond to offerors inquiries by posting the offeror aggregated questions and Department responses on the DSS website at <http://dss.sd.gov/rfp/index.asp> no later than 4/03/2015. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors will be notified in the same manner as indicated above regarding any modifications to this RFP.

1.10 PROPRIETARY INFORMATION

The proposal of the successful offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

1.11 LENGTH OF CONTRACT

The contract resulting from this RFP will be issued for a period of one (1) year, June 1, 2015 to May 31, 2016, with the option of renewal for up to two (2), one (1) year contracts at the discretion of the state.

1.12 GOVERNING LAW

Venue for any and all legal action regarding or arising out of the transaction covered herein shall be solely in the State of South Dakota. The laws of South Dakota shall govern this transaction.

1.13 DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION/NEGOTIATIONS)

An oral presentation by an offeror to clarify a proposal may be required at the sole discretion of the State. However, the State may award a contract based on the initial proposals received without discussion with the offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the offeror's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each respondent shall be available for negotiation meetings at the State's request. The State reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

2.0 STANDARD AGREEMENT TERMS AND CONDITIONS

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as seen in Attachment A:

3.0 SCOPE OF WORK

3.1 The offeror will develop and conduct a comprehensive methodology to analyze the program expenditures and utilization to quantify the financial impact to Medicaid resulting from the provision of the Health Home core services. This method must allow DSS to review and report the impact at a variety of levels, including, but not limited to:

1. Individual Recipient
2. Health Home Chronic Condition Category
3. Designated Provider
4. Geographic locations
5. Health Home Type
6. Aggregate Data per Level of Reporting and Reporting Time Period
7. Financial Performance
8. Other Provider Groupings as Specified by the State

The offeror's proposed methodology should consider the following:

The State defined baseline periods are as follows:

State Fiscal Year 2010 - July 1, 2009 through June 30, 2010

State Fiscal Year 2011 - July 1, 2010 through June 30, 2011

State Fiscal Year 2012 - July 1, 2011 through June 30, 2012

State Fiscal Year 2013 - July 1, 2012 through June 30, 2013

The State defined program performance periods are as follows:

State Fiscal Year 2014 - July 1, 2013 through June 30, 2014

State Fiscal Year 2015 - July 1, 2014 through June 30, 2015

The future program performance periods will adhere to the State's Fiscal Year reporting periods and on an "as needed" basis.

Service Type Categories:

1. Inpatient Hospital (IP)
2. Emergency Room (ER)
3. Outpatient Hospital (OP)
4. Home and Community-Based Services (HCBS)
5. Pharmacy (Rx)
6. Office Visit (OV)
7. Laboratory (Lab)
8. Long-Term Care (LTC)
9. Other

The offeror's proposal should outline and describe how it will meet the following deliverable requirements for the South Dakota Medicaid expenditures, utilization, fiscal impact, and outcome measures associated with the Health Homes (HH) Program.

3.2 The offeror will propose a method for accepting, aggregating and analyzing the Health Home Outcomes Measures. This would include:

- 3.2.1 Maintaining or updating all Health Home Quality file layout documents to support the outcome measure collection process from Health Homes;

- 3.2.2 Accepting South Dakota Medicaid Claims data and maintaining it in a secure format;
- 3.2.3 Accepting Outcome Measure data from the three previous 6-month collection periods from current vendor in a secure format;
- 3.2.4 Facilitating outcome measures submissions from Health Homes;
- 3.2.5 Validating outcome measures submissions from Health Homes;
- 3.2.6 Generating semiannual quality reports at an aggregate level, combined provider level as identified by DSS, and individual health home level;
- 3.2.7 Developing reporting processes that will support quality comparisons;
- 3.2.8 Generating reports to assess overall Health Home performance

The South Dakota Health Home Outcome Measures file layouts are included as Attachment B. Please note that the document contains a layout for both the CMHC and the PCP Health Homes. Also note that the Outcome Measures are subject to change.

- 3.3** The offeror shall propose a framework for a fiscal impact analysis methodology which will: identify recipient inclusion and exclusion criteria for the established baseline, evaluate program performance using established outcome measures and establish future program performance measurement criteria. The vendor's assessment should include a review and analysis of any proposed alternative(s).
 - 3.3.1** The proposal will address the ability of the recommended methodology to comprehensively meet the requirements over any suggested alternatives.
 - 3.3.2** The proposal will identify limitations of any alternative methodologies to meet requirements and identify potential benefits of the alternatives.
 - 3.3.3** The recommended methodology will include a detailed future analysis and forecasting component that adjusts for fee, rate and PMPM changes and other Health Homes program variables.
 - 3.3.4** The proposal will include a recommended method for collection, management, and analysis of outcome measures data.
- 3.4** Proposals must include a detailed description of the vendor's proposed approach and a detailed timeline for delivery of the recommended methodology, analysis of financial impact, analysis of outcomes measures, and other proposed deliverables within the parameters of Section 1.12 Length of Contract.
- 3.5** The proposal must specify the elements that will be included in each of the deliverables, including but not limited to:
 - 3.5.1** Detailed information for the recommended methodology and alternatives analysis.
 - 3.5.2** Tables with detailed findings, data and methods logic and any other criteria.
 - 3.5.3** Caveats or special considerations.
 - 3.5.4** A summary and conclusion.
- 3.6** The offeror will consider the reporting requirements of CMS (Attachment C) and the 8/30/2014 State Medicaid Director Letter regarding Shared Savings Methodologies (Attachment D) .

- 3.7 The proposal must address how the offeror will adapt to any special project constraints, e.g. release of additional guidance or reporting specifications from CMS.

4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS

- 4.1 The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.
- 4.2 **Offeror's Contacts:** Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.
- 4.3 The offeror **MUST** submit a copy of their most recent independently audited financial statements.
- 4.4 Provide the following information related to at least three previous and current service/contracts performed by the offeror's organization which are similar to the requirements of this RFP. Provide this information for any service/contract that has been terminated, expired or not renewed in the past three years:
- a. Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
 - b. Dates of the service/contract; and
 - c. A brief, written description of the specific prior services performed and requirements thereof.
- 4.5 The offeror must submit information that demonstrates their availability and familiarity with the locale in which the project(s) are to be implemented.
- 4.6 The offeror must detail examples that document their ability and proven history in handling special project constraints.
- 4.7 If an offeror's proposal is not accepted by the State, the proposal will not be reviewed or evaluated.

5.0 PROPOSAL RESPONSE FORMAT

- 5.1 An original and 6 copies shall be submitted.
- 5.1.1 In addition, the offeror should provide one (1) copy of their entire proposal, including all attachments and cost proposal, in PDF electronic format. Offerors may not send the electronically formatted copy of their proposal via email.
 - 5.1.2 The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.
- 5.2 All proposals must be organized and tabbed with labels for the following headings:
- 5.2.1 **RFP Form.** The State's Request for Proposal form completed and signed.
 - 5.2.2 **Executive Summary.** The one or two page executive summary is to briefly describe the offeror's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the offeror. The reader should be able to determine the

essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.

5.2.3 Detailed Response. This section should constitute the major portion of the proposal and must contain at least the following information:

5.2.3.1 A complete narrative of the offeror's assessment of the work to be performed, the offeror's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the offeror's understanding of the desired overall performance expectations.

5.2.3.2 A specific point-by-point response, in the order listed, to each requirement in the RFP as detailed in Sections 3 and 4. The response should identify each requirement being addressed as enumerated in the RFP.

5.2.3.3 A clear description of any options or alternatives proposed.

5.2.4 Cost Proposal. Cost will be evaluated independently from the technical proposal. Offerors may submit multiple cost proposals. All costs related to the provision of the required services must be included in each cost proposal offered.

See section 7.0 for more information related to the cost proposal.

6.0 PROPOSAL EVALUATION AND AWARD PROCESS

6.1 After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria listed in order of importance:

- 6.1.1** Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;
- 6.1.2** Resources available to perform the work, including any specialized services, within the specified time limits for the project;
- 6.1.3** Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;
- 6.1.4** Cost proposal;
- 6.1.5** Proposed project management techniques;
- 6.1.6** Ability and proven history in handling special project constraints,
- 6.1.7** Availability to the project locale; and
- 6.1.8** Familiarity with the project locale;

6.2 Experience and reliability of the offeror's organization are considered subjectively in the evaluation process. Therefore, the offeror is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.

- 6.3** The qualifications of the personnel proposed by the offeror to perform the requirements of this RFP, whether from the offeror's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the offeror should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.
- 6.4** The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.
- 6.5 Award:** The requesting agency and the highest ranked offeror shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.
 - 6.5.1** If the agency and the highest ranked offeror are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.
 - 6.5.2** The negotiation process may continue through successive offerors, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.

7.0 COST PROPOSAL

- 7.1** Offeror's cost proposal must include the total contract price and a breakdown of proposed hours and staff. Payments will be made to the successful offeror based upon agreed upon project deliverables and milestones.